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U.S. Panel Says Cubans Operate Racket in City

By ERIC SCHMITT

A group of Cuban-American racketeers operates a \$45-million-a-year illegal gambling syndicate in New York City and New Jersey, often killing competitors and burning down their businesses, a Federal commission on crime said yesterday.

A profile of the syndicate was presented at a hearing in lower Manhattan by investigators for the panel, the President's Commission on Organized Crime. The profile said the syndicate — called "the Corporation" — paid the Mafia a fee to run illegal numbers games in its territory in Manhattan, Brooklyn, the Bronx and northern New Jersey.

The commission is investigating organized crime's involvement in legal and illegal gambling operations as part of its nearly three-year mission to study organized crime and to recommend legislative and judicial ways to combat it. The panel can subpoena witnesses and make recommendations to authorities on prosecutions.

\$1.5 Billion a Year

"In the tristate New York area alone, \$1.5 billion is spent each year on numbers games, sports, bookmakers and other forms of illegal wagering controlled by organized crime," said the commission chairman, Judge Irving R. Kaufman of the United States Court of Appeals for the Second Circuit in New York.

Twelve of the 19 panel members attended the first day of a three-day hearing at the United States Court of International Trade at 1 Federal Plaza. The hearing will continue today and tomorrow.

The highlight of yesterday's hearing was testimony by a former member of the Cuban gambling syndicate who corroborated the information in the commission's profile.

Dressed in a monk's black habit, his face smeared in black to conceal his identity, the informer, who used to run an illegal gambling parlor, said 2,500 people in New York City worked for the crime group's "godfather." He identified him as Jose Miguel Battle Sr.

According to the commission, Mr. Battle is a former Havana anti-vice officer who was recruited by the Central Intelligence Agency to participate in the Bay of Pigs invasion.

According to the commission's profile, the Corporation controls legitimate mortgage and finance companies, travel stores, banks and real-estate agencies in the Miami area that are worth "several hundred million dollars."

The profile also said that the Corporation laundered millions of dollars in illegal revenues through financial institutions and the official Puerto Rico lottery. Investigators estimated that \$14 million a week was laundered through the lottery.

In other testimony, city, state and Federal law enforcement officials said racketeers used advanced telephone, computer and video devices to thwart police detection.

Video card games that operators can program as gambling machines are particularly vexing to the police, the authorities reported.

One game owner made \$500,000 in 15 months from five rigged machines, Lieut. Robert Gaugier of the New Jersey state police told the hearing.

The gambling sites often resemble legalized off-track betting establishments and earn between \$7,000 and \$12,000 a day, the witness said, speaking through a Spanish interpreter.

When asked by James D. Harmon Jr., the chief counsel to the commission, how the Corporation dealt with its competitors, the informer said the organization's "enforcer" assigned men to "kill the people and burn down their stores."

He said the crime group had killed 20 people since it established a foothold in New York through Cuban and other Hispanic-owned bars and groceries. Ten to 15 other people died in the arson incidents, he said.

Mr. Battle, who was subpoenaed by the commission, was present in the courtroom, but in a letter from his lawyer had invoked his Fifth Amendment rights to avoid incriminating himself. Mr. Battle used to live in Union City, N.J., and now makes his home in Miami.